

022 - PREPAID PENSION OBLIGATION

Operational Summary

Description:

The Taxable Pension Obligation Bonds, Series 2006 were issued in January 2006 in the amount of \$105,990,520. The County was given an opportunity to pre-pay a portion of its FY 06-07 employer pension contribution at a discounted rate. In January 2006, the County prepaid 50% of its FY 06-07 contribution. The Bonds were issued to pre-pay the County's Unfunded Accrued Actuarial Liability (UAAL) portion of the prepayment. The Normal Cost portion of the prepayment will be paid directly to OCERS from the General Fund.

The Bonds are taxable, variable rate obligations with a monthly reset priced at a spread to LIBOR with a maturity date of June 29, 2007.

The Bonds were purchased by the Orange County Treasurer for investment in the County's Investment Pool. Interest will accrue until July 1, 2006, when the Fiscal Year 2006-07 payroll contributions are scheduled to begin, and then interest will be paid monthly to the Treasurer.

At a Glance:

Total FY 2005-2006 Actual Expenditure + Encumbrance:	105,952,450
Total Final FY 2006-2007	0
Percent of County General Fund:	0.0%
Total Employees:	0.00

FY 2005-06 Key Project Accomplishments:

- In January 2006, the County prepaid 50% of its Fiscal Year 2006-07 UAAL contribution at a discounted rate.

Budget Summary

Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget	Actual Exp/Rev ⁽¹⁾		Actual	
		As of 6/30/06	As of 6/30/06	Final Budget	Amount	Percent
Total Revenues	0	126,000,000	105,990,520	0	(105,990,520)	-100.00
Total Requirements	0	126,000,000	105,952,450	0	(105,952,450)	-100.00
Net County Cost	0	0	(38,070)	0	38,070	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Prepaid Pension Obligation in the Appendix on page A35

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Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2004-2005		FY 2005-2006		FY 2005-2006		FY 2006-2007		Change from FY 2005-2006	
	Actual	Exp/Rev	Budget	As of 6/30/06	Actual Exp/Rev ⁽¹⁾	As of 6/30/06	Final Budget		Actual	
									Amount	Percent
Other Financing Sources	\$	0	\$	126,000,000	\$	105,990,520	\$	0	\$(105,990,520)	-100.00%
Total Revenues		0		126,000,000		105,990,520		0	(105,990,520)	-100.00
Other Charges		0		126,000,000		105,952,450		111,190,520	5,238,070	4.94
Intrafund Transfers		0		0		0		(111,190,520)	(111,190,520)	0.00
Total Requirements		0		126,000,000		105,952,450		0	(105,952,450)	-100.00
Net County Cost	\$	0	\$	0	\$	(38,070)	\$	0	\$ 38,070	-100.00%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.